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FORWARD

July 19 2016

Re: Response to IAR, Kind for Congress Committee

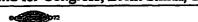
To Whom it May Concern:

The Committee would like to thank the Federal Elections Commission staff throughout this exercise for their courteousness and professionalism. We strive to conduct ourselves with the utmost transparency, and we are pleased that the results of this audit underscore the importance that the Committee has long emphasized of ensuring complete transparency of donors. To that end, we already go far beyond existing regulations by maintaining a policy of fully disclosing every contributor to our Committee, whether or not that contributor meets the \$200 itemization threshold.

This audit was a healthy and extensive exercise. We are pleased that this exercise has not resulted in any findings of missing funds, lack of disclosure, misappropriations, or any other indication of financial or reporting discrepancies, and the Committee recognizes that the only finding is that a portion of donations were not deposited to our local financial institution in La Crosse, WI in a timely manner.

With respect to this lone finding, the Committee acknowledges the issue and has proactively taken a number of steps to address the finding, which have already fixed the issue. The Committee also respectfully submits that the statute and FEC rules are unclear with respect to the timeliness of deposits – they could easily be read to allow 20 days – but regardless, the Committee has now taken a number of actions to ensure deposits occur within 10 days.¹

The Committee would also like to note that many of the contributions that took longer than 10 days to be deposited into our La Crosse, WI financial institution were not received in La Crosse, and therefore had to be mailed to the campaign in La Crosse, and then physically deposited. Unfortunately, as many Wisconsinites are aware, mail delivery to rural areas has gotten slower over the years due to a variety of factors. In fact, rural mail delivery can sometimes take weeks. The FEC's one-size-fits-all policy on timeliness of deposits does not take into account that mail delivery in rural areas is generally much slower than in big cities or on the coasts.



¹ The law provides that "[e]very person who receives a contribution for an authorized political committee shall, no later than 10 days after receiving such contribution, forward to the treasurer such contribution." 52 U.S.C. § 30102(b)(1). Thereafter, FEC rules provide that "[a]II deposits shall be made within 10 days of the treasurer's receipt." 11 C.F.R. § 103.3. Thus, statute and rule could be construed to indicate that a committee has 20 days to deposit, for any contribution that is not sent directly to the treasurer.



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Despite the lack of clarity in the law and the additional challenge for rural communities, the Committee has already enacted a number of changes to ensure that all donations are now deposited in a more timely manner. The changes that we have proactively made include:

- We have engaged a professional compliance firm to further ensure compliance with all applicable rules.
- Wisconsin staff now make deposits of contributions on a weekly basis, to ensure timely deposits of all contributions received in the district.
- We have a new campaign Treasurer, and campaign staff has received additional training regarding compliance rules.
- When donations are received by campaign staff in Washington, DC, they are now
 deposited directly into a DC branch of our financial institution. This was a suggestion by
 FEC staff, and helps address the challenge of ensuring timely deposits despite the fact
 that rural mail delivery can often take many days or even weeks.
- In addition to continuing our practice of keeping all records required by FEC rules, see 11 C.F.R. § 102.9(a), we are keeping all additional records relevant to when contributions are received, including envelopes and additional paperwork.

The Committee is confident that with these changes that have already been implemented, we will ensure the timely deposit of all contributions in the future.

Again, we are pleased that that there were no findings of missing funds, lack of disclosure, misappropriations, or any other financial or reporting discrepancies, and we have proactively addressed the single finding to ensure timely deposits. Thank you to the FEC staff for their hard work and professional demeanor throughout this extensive process. We look forward to continuing to work with the FEC as we go above and beyond the regulations to ensure an open, transparent and well-organized campaign committee.

Sincerely.

Brent Smith Treasurer